

# WISCONSIN WORKS (W-2) CONTRACT AND IMPLEMENTATION COMMITTEE

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201 E. Washington Avenue, GEF 1, Room 400X  
Madison, WI 53707

**Friday, July 16, 1999**

10:00 AM - 2:00 PM

## **MINUTES**

**The W-2 Contract and Implementation Committee is the single point of contact for feedback to the Department of Workforce Development on policy implementation related to W-2 agencies, and includes representation from the Wisconsin County Human Service Association (WCHSA), Urban Caucus counties, W-2 private agencies in Milwaukee County and the balance of state, and Tribal W-2 agencies.**

### **Committee**

**Attendees:** Phyllis Bermingham, Marathon Co. Employment and Training; Mary Ann Cook, Dane Co. Dept. of Human Services; Mona Garland (alternate), MAXIMUS; Kim Mooney (alternate), Fond du Lac Co. Dept. of Social Services; Deb Hughes (alternate), Southwest Consortium; Rita Renner (alternate), YW-Works; Tina Koehn, United Migrant Opportunity Services (UMOS); Jim Krivsky (alternate), Racine Co. Human Services Dept.; Jeff McCabe (alternate), Employment Solutions; Jim Nitz (alternate), Kaiser Group; Shirley Ross, La Crosse Dept. of Human Services; John Schere (alternate), Opportunities Industrialization Center of Greater Milwaukee (OIC-GM); Michael Van Dyke, Door Co. Dept. of Social Services

### **State Staff**

**Attendees:** Ginevra Ewers, BMO; Tim Hineline, BWI; Jane Jilk, BWI; Mike McKenzie, OQA; Karen Messinger, BEPO; Jude Morse, BMO; Joseph Stafford, BEPO; Jan Van Vleck, Special Assistant; Alice Wilkins, BWI; Rick Zynda, BWI

**Absent:** Jean Rogers; Barbara Metoxen, Oneida Tribe; Judy Weseman, Kenosha Co. Division of Workforce Development

**Guests:** Marcia Christianson, Forward Service Corporation; Tony Dziedzic, YW-Works; Kelly Grant, Central Wisconsin Community Action Council; Teresa Pierce, Western Wisconsin Private Industry Council (PIC); Kathryn Ryan, Dodge Co. Human Services & Health Dept.

**Recorder:** Shari Busse, W-2 Contract and Implementation Committee Coordinator

### **Welcome**

Jude Morse chaired the July 16, 1999 meeting in Jean Rogers' absence. Jean was in Washington D.C. to present to the House Ways and Means Committee. Michael Van Dyke requested an additional agenda item regarding the W-2 proposal review process. Jude stated she planned to address that item under Other Issues.

### **June 1999 Minute Approval**

Jan Van Vleck requested an edit to the June minutes regarding Michael Van Dyke's statement under the Y2K Administrator's Memo section and a spelling edit under the Contingency Fund section. She also commended the recorder on the clarity and comprehensiveness of the minutes. A motion was made by Jim Krivsky to approve the amended June 18, 1999 minutes and seconded by Shirley Ross. Motion carried.

### **Issue/Discussion: Contingency Fund, Alice Wilkins, DES/BWI**

The Contingency Fund workgroup presented their initial recommendations to the Committee at the June meeting and reconvened July 12<sup>th</sup> to further develop those recommendations. Kelly Grant, Judy Steinbicer, Gordon Bond, Ginevra Ewers and Jim Bates joined the workgroup. The group was informed of two major rule clarifications made at a federal briefing in Chicago on June 28, 1999:

- The final TANF regulations stipulate, effective October 1, 1999, any unobligated TANF funds from federal fiscal years 1997, 1998 and 1999 can only be used for activities identified as *assistance*, and,
  - Biennial budget actions may place control of the contingency fund with the legislative Joint Committee on Finance.
- Jan Van Vleck clarified that the federal definition of assistance equals cash assistance. Michael Van Dyke asked if this was the same as benefits in the RFP. Ginevra Ewers confirmed this and stated it applies to assistance that ticks the clock. This definition applies to all unobligated funds effective 9-30-99.

Whether the administration of the appropriated funds for the contingency fund rests with the department or the Joint Committee on Finance, the workgroup recommended that requests to access the contingency fund would fall under three (3) broad categories:

- (1) Unanticipated caseload increases
- (2) Agency's allocation is exhausted
- (3) Measurably significant events occur which are beyond the control of the local agency.

Ginevra Ewers stated that the final process for access to the contingency fund must go back to the initial concept of an economic downturn for which the contingency fund was created. Based on the contract, the contingency fund is for circumstances outside the scope of the contract and beyond the control of the agency. Jim Nitz strongly disagreed with this statement, citing this context described the current contract but did not take into consideration the reality of caseload changes, BadgerCare, etc. Mona Garland agreed, stating she raised this concern as part of the workgroup and suggested that the RFP language be amended. Mary Ann Cook expressed this was the feeling of the workgroup as a whole. She further stated that it is unlikely that the numbers of participants would not exceed the projections for the next contract period. She indicated that a 15-person increase could be a large increase in caseload yet not have any effect on the unemployment rate for an area or result in an economic downturn. Therefore, since the contingency fund can only be used for benefits, agencies should be able to access the contingency fund when they have exhausted the benefit dollars in their allocation.

Ginevra Ewers clarified that unspent funds from 1996-1999 are covered by this provision and any TANF funds received through 9-30-99 must be obligated or only spent on benefits. Funds that are obligated before 9-30-99 can be spent on other things. Jim Krivsky asked for the definition of obligated and was referred to 45 CFR part 95 for the federal definition. Michael Van Dyke read elsewhere that some states are arguing the position that establishing a contingency fund was obligating the funds. Ginevra replied that federal program staff are more expansive on the funding issues than the financial federal staff.

Michael Van Dyke suggested that some of the assumptions used in creating the benefit column for agency allocations could have been different. He felt the discussion need not hinge on that issue alone. He stated that they were told at IMAC that people coming in for one service should have the menu of services presented to them. This may increase caseload numbers and have nothing to do with economic downturn. Several committee members expressed concern that counties will drop the program if there is a remote possibility of using tax levy to fund benefits. Many felt that economic downturn was the philosophy for using the contingency fund when W-2 was a concept and not reality. Under the first contract, agencies knew they would spend less than their allocations but feel there is not enough funding under the next contract.

Jim Nitz asked for clarification regarding the use of the contingency fund and community reinvestment dollars. Community reinvestment funds could be spent before accessing the contingency fund. Community reinvestment funds are obligated under the current contract through 12-31-99 so these funds meet the obligated requirement. Using community reinvestment funds does not penalize an agency from accessing the contingency fund.

Jude Morse summarized the discussion at this point indicating that committee members felt that the RFP language regarding the contingency fund should be expanded from addressing economic downturn to factors beyond the control of the agency; that the relationship between the contingency fund and community reinvestment should be clarified regarding accessing one before the other and exhausting one before the other; and, that funds be obligated for services or benefits before 9-30-99. Tina Koehn replied that agencies do not want to create a slush fund for benefits or use their community reinvestment funds for benefits because they are for services. She expressed concern that they are not funded adequately for benefits. Shirley Ross agreed and questioned if there was a promise to fully fund benefits. Jude addressed risks for the next contract period. The contract is sum certain, not sum sufficient, and there is risk on both sides. Several committee members stated they want an extra amount available for things beyond the control of the agency.

Jude Morse again summarized the discussion stating that committee members felt that any amount beyond the benefit allocation should be reimbursed for any reason beyond the control of the agency to provide access to the contingency fund. She indicated that many issues beyond what were included in the workgroups handout were discussed. Jan Van Vleck proposed the workgroup revise the recommendations and send it out to the committee.

Mary Ann Cook moved that the top priority for accessing the contingency fund is nonfraudulent exhaustion of the benefit estimates created in each contract through the action of the Joint Committee on Finance so an agency could access the contingency fund for benefits. Other uses for the contingency fund to be developed in more detail. Seconded by Michael Van Dyke. Motion carried.

Mary Ann Cook moved for the development of additional details regarding use of the contingency fund by the workgroup with review and edit by the full committee by 7-26-99. Jim Krivsky seconded. Motion carried.

**Issue/Discussion: W-2 Conference, Scott Fromader, DWD**

Wisconsin's W-2 program is competing for an Innovations in Government award. As part of that, the Department applied for a \$20,000 grant for a conference to be held September 29<sup>th</sup> and 30<sup>th</sup> that will focus on W-2, its past, present and future. The conference will be a celebration of the two-year anniversary of W-2 and hopefully attract national representation.

Every W-2 agency will receive a memo asking them to submit their innovative practices to their Area Administrator by July 23<sup>rd</sup>. These submissions will be reviewed and decisions made as to which agencies will be asked to present at the conference by the beginning of August. The conference is tentatively scheduled at the Four Points Hotel in Milwaukee.

**Issue/Discussion: Future Meeting Schedule, Jude Morse, DES/BMO**

The following meeting schedule was shared with the committee. Committee members agreed to the dates, time and new locations. There was a request to hold the October meeting in Door County and this request will be shared with Jean Rogers. In addition, Deb Hughes requested that a contact phone number for the meeting location be included on the agenda each month.

<i>Date</i>	<i>Time</i>	<i>Location</i>
<b>Friday, July 16, 1999</b> *Jude Morse - chair	10:00 a.m. – 2:00 p.m.	201 E. Washington Avenue GEF 1, Room 400X Madison, WI 53707
<b>Friday, August 20, 1999</b>	10:00 a.m. – 2:00 p.m.	101 E. Wilson Street DOA Building, St. Croix Room 136 Madison, WI 53707
<b>Friday, September 17, 1999</b>	10:00 a.m. – 2:00 p.m.	30 West Mifflin Street DVA Building, 8 <sup>th</sup> Fl. Board Room Madison, WI 53707
<b>Friday, October 15, 1999</b>	10:00 a.m. – 2:00 p.m.	201 E. Washington Avenue GEF 1, Room 400X Madison, WI 53707
<b>Friday, November 19, 1999</b>	10:00 a.m. – 2:00 p.m.	30 West Mifflin Street DVA Building, 8 <sup>th</sup> Fl. Board Room Madison, WI 53707
<b>Friday, December 17, 1999</b>	10:00 a.m. – 2:00 p.m.	TBA

**Issue/Discussion: Monthly CARES Report Update, Tim Hinline, DES/BWI**

See attached report. Tim Hinline reminded the committee that the food stamp mass change is scheduled for 9-10-99. BadgerCare will be moved in to production on July 19, 1999. Staff should be sure to call the help desk with any problems. Food Stamp EBT becomes the next high priority with the Rock County pilot scheduled to begin 10-1-99. CARES has been certified as Y2K compliant. CARES will be down on 12-31-99 for year-end batch processing. The mainframe will be up on January 1, 2000 and the Department will be requesting some staff in each agency do case processing on Sunday, January 2<sup>nd</sup> to ensure the system is working correctly.

Social Security Administration has certified the state for on-line query and an audit trail has been built in CARES. Federal regulations limit query access to state and county government staff at this point. Barb Stiefvater will be contacting agencies to amend their data sharing agreements starting with Southwest Wisconsin.

**Issue/Discussion: Payment Accuracy: a primary focus of client service, Mike McKenzie, DES/OQA**

Mike McKenzie introduced himself as the supervisor of the corrective action unit in OQA and as such, asked that local W-2 and Food Stamp Agencies share employment and other case information to avoid food stamp error. Wisconsin's food stamp error rate for fiscal year 1998 was 14.58% (the national average is 10.7%), resulting in a sanction liability of \$1.8 million for the State. Deb Hughes questioned how much of the liability sanction belongs to Milwaukee County. Mike explained that since 50% of the food stamp cases are in Milwaukee, they drive the error rate. The error rate for the balance of the state is under the national average.

OQA staff have met with Milwaukee County staff to brainstorm how to trouble shoot food stamp errors. It was suggested that Mike also meet with the W-2 agencies since it is essential that the FEP and SSP act as a team when the FEP is not a public employee. The participant must report to the SSP any changes affecting economic support and to the FEP any changes affecting W-2 eligibility, placement and work training activities. When changes in economic support data are reported to the FEP, the FEP must immediately contact the SSP to allow the SSP to assess the change, gather and verify additional information as necessary and make the required entries into CARES. In the case of W-2 eligibility, placement or work training activity information, the SSP must immediately contact the FEP.

OQA is presently working on discrepancy reports with Deloitte & Touche for discrepancies between Income Maintenance and Work Program information. These reports may be sent out to both agencies when discrepancies are found, and the agency will be required to correct the CARES data within 29 days. Therefore, if the agencies can share necessary information timely, the agencies will be spared of having to clean up bad data later. Mary Ann Cook suggested identifying the elements that produce errors and then linking those screens or having an alert remind the worker to complete other screens would help reduce errors. Mona Garland recommended that the discussion focus on the areas that produce the highest error rates. Mike identified these areas as earned income, household composition and the shelter expense calculation.

The SSP and FEP may be duplicating services in contacting employers for employment information. The State has learned that FS workers need to re-contact many employers to receive the necessary information to make the correct FS calculations. The State suggests that the W-2 and FS agency devise an employment collateral form that will have all the necessary information needed for the FEP and FS workers. This step will help avoid the duplication of services as well as keep the employer happy by having only one contact. Mona Garland suggested Mike contact Mike Barber of the Quality Assurance workgroup in Milwaukee County.

Mike volunteered to address the food stamp error rate issue at county agency meetings and encouraged agencies to provide feedback to OQA. The State can receive over \$2 million in enhanced funding from the Federal Government if our error rate is lowered below 6%, making it possible to fund such projects to help in the sharing of information between W-2 and FS Agencies.

Rick Zynda asked committee members if their agencies are using the web sites for verifying vehicle assets. Most responded that staff are still using the red book/blue book. Rick indicated that federal staff are encouraging the use of the web site.

#### **Issue/Discussion: Financial Literacy Education Project, Jodi Owens, DWE and Dave Mancl, DFI**

The Department of Workforce Development, the Department of Financial Institutions, the University of Wisconsin Extension, W-2 agencies and professional credit counseling agencies have become partners in an effort to educate economically disadvantaged individuals in financial literacy education. Jodi Owens explained that the financial literacy education initiative will define what it is to be "financially literate"; create a "financial education" certificate; outline best practices for "credit rehabilitation"; and create an innovative, non-traditional delivery system essential to the success of the project.

Dave Mancl gave an overview of the Department of Financial Institutions, formed in 1996 from the consolidation of six separate entities to create a single, streamlined department to regulate the financial services industry and educate Wisconsin's citizens about their money matters. DFI arms consumers with the information they need for financial preparedness through the DFI, Your Money Matters financial education program. Dave is available to present Your Money Matters to agency staff if requested. The DFI web site at [www.wdfi.org](http://www.wdfi.org) provides information on current financial issues and legislative activity, statutes and administrative rules, financial data, access to DFI forms and records, financial education material and valuable links from "Associations" to "Y2K".

Mary Ann Cook asked if the project would put together a package of information targeting the low-income population. Jodi stated that the initiative aims to provide specific training to low income individuals and is currently conducting focus groups of creditors, bankers, youth, W-2 eligible individuals, FEPs and Resource Specialists to define problems and develop a system that will work based on this input. Tina Koehn stated she had been contacted about some focus groups but because she was unaware of this initiative, staff and participants were not allowed to participate.

Tina also recommended contacting Family Services in Milwaukee, which offers a certified financial education curriculum. Michael Van Dyke suggested contacting Financial Information Services Corporation (FISC) in Menasha. Committee members agreed that programs are available but some have waiting lists so there is a need for something more accessible. The question of services for noncustodial parents was raised. The project hopes to address their needs as well. In addition, preliminary discussions have taken place with the Division of Housing regarding their programs.

One feature of this initiative will be to create a comprehensive list of local financial and credit education resources that staff can use when working with customers. Agencies can provide help with that endeavor or discuss the initiative further by contacting Jodi Owens, DWD at 608-264-8165 or [owensjo@dwd.state.wi.us](mailto:owensjo@dwd.state.wi.us); Dave Mancl, DFI at 608-261-9540 or [david.mancl@dfi.state.wi.us](mailto:david.mancl@dfi.state.wi.us); or Robert Wynn, DFI at 608-261-4517 or [robert.wynn@dfi.state.wi.us](mailto:robert.wynn@dfi.state.wi.us).

#### **Issue/Discussion: 24-Month Time Limits Update, Jane Jilk, DES/BWI**

Jane Jilk referenced two recent Operations Memos: 99-48 W-2 24 Month Time Limit & Case Management and 99-49 W-2 24 Month Time Limits. These two Ops memos should be used together to address cases nearing their 24 month time limit.

Shirley Ross asked how many extensions have been requested and how many have been approved. Exact numbers were not available but it was estimated that 15 requests had been submitted and none had been denied. However, there were approximately 202 CSJ cases and 96 W-2 T cases in their 20<sup>th</sup> month, with the majority of these being in Milwaukee County. Michael Van Dyke questioned the time frame for notice for approval of an extension request. Notice of extension approval or denial is given within 30 days.

Mona Garland asked if the state will be reviewing cases similar to the method used for Right of First Selection. Joe Stafford addressed the committee by stating that regional offices are reviewing all cases reaching their 20<sup>th</sup> month. The Department is also finalizing discussions with the Milwaukee PIC to review cases. Several committee members expressed concern with this. Concerns should be addressed to Jean Rogers or Jude Morse. Rita Renner suggested this issue should be taken to the Milwaukee W-2 agency CEO meeting.

**Issue/Discussion: Other Issues, Jude Morse, DES/BMO**

*W-2 Proposal Review Process – Jude Morse*

Proposals are being reviewed during this confidential period of the procurement process. The procurement process is on schedule of the RFP timetable and the announcement of additional competitive geographic areas (if any) is scheduled for August 6, 1999. Committee members asked if there would be additional addendum issued and if changes could be requested. The time has passed for agencies to request changes; however, agencies had an opportunity to note things they disagreed with in the RFP in their proposal. The State can issue additional addendum, possible examples being the Contingency Fund and any adjustment in the schedule that may be necessary.

The evaluation process is being conducted in accordance with the State procurement process. Michael Van Dyke suggested the Department have someone from within the region review the proposal since regional staff are the most knowledgeable and familiar with what an agency is doing in that area. Jude stressed that evaluators with the expertise required to review and evaluate the proposals are conducting the reviews.

Jim Nitz questioned if agencies will receive information regarding why their proposal was not accepted. Jude stated the state has established a process for rectifying items that are easily remedied by following up with individual agencies. Missing items such as a missing signature or a missing page will be requested. Certain deficient items allow the proposal to be rejected and become part of the competitive process. Agencies may appeal at any time during the process. Appeals do not automatically result in an extension of the timeframe.

*Biennial Budget Act and RFP Revisions – Jude Morse*

The Department is in the process of identifying potential biennial budget topics to be addressed by RFP revisions. Based on changes in the biennial budget act, RFP revisions would be offered with a 30-day timeframe for review and comment (RFP section 3.2.2 Biennial Budget). RFP addendum 10 details the agency's option to withdraw their proposal based on this new information. Jim Krivsky questioned whether portions of the RFP or the entire RFP would be reissued. Jude clarified changes would follow the addendum format but issuing a complete updated version may be possible. Teresa Pierce asked for a legislative update. This can vary each day but agencies may call Dianne Reynolds for information.

*Clinton Food Stamp Initiative – Rick Zynda*

Rick Zynda distributed some Internet information regarding President Clinton's food stamp initiative. The Access Guide details the concept of one stop shopping and coordinating programs, indicating the rest of the country will be catching up to what Wisconsin is already accomplishing. Mary Ann Cook asked whether there were any changes to make more people eligible. Policy will allow states to use their TANF asset test, rather than the Food Stamp Program asset limit, in determining food stamp eligibility for all families eligible for TANF.

*Food stamps for certain veteran Hmong and Highland Laotian*

Phyllis Birmingham asked when they would be told to issue retroactive benefits to Hmong and Laotian veterans. Joe Stafford stated no determination has been made yet. It is a funding issue since the state would not receive federal reimbursement for these benefits.

Jim Nitz motioned to adjourn. Seconded by Jim Krivsky. Motion carried.

**NEXT MEETING DATE:**

**August 20, 1999**

**10:00 a.m. – 2:00 p.m.**

**101 E. Wilson Street**

**DOA Building, St. Croix Room 136**

**Madison, WI 53707**

## RECENT AND UPCOMING CARES CHANGES OVERVIEW

Issued July 16,1999

Major Initiatives: Completed or in Progress	DATE	BACKGROUND
<b>FPL Mass Change</b>	9/10	The annual mass change for Food Stamps is scheduled for this date.
<b>Clocks</b>	7/9 –9/99	The 20 and 23 months job clocks have been implemented. Logic will be added for job clock extensions in July, while auto failure of extensions will be added in August. Automatic failures for expired clocks will be implemented in September. Manual failure reasons are available at this time.
<b>BadgerCare</b>	7/19/99	A large number of staff DWD, DHFS, D&T and EDS have been testing BadgerCare since the late in May and it appears to be ready for implementation in CARES beginning 7/19. Training has been completed. Ops-memo 99-50, which discusses case processing, income limits and scenarios for processing aps on various dates, has been distributed to all agencies. Agencies will be informed by DXBM of any new documentation or any other changes.
<b>MA Forward Cards</b>	7/99	Medicaid and BadgerCare recipients in the pilot counties of Colombia, Dane, Dodge, Green, Iowa, Jefferson, Lafayette, Rock, Sauk, and Walworth will receive their Forward Cards on or around 7/27/99. Recipients in the rest of the state will receive their cars approximately three months later. Agencies will be notified prior to the implementation date.
<b>Food Stamp EBT</b>	10/1/99	Testing has begun on the EBT Pilot. The Rock County pilot is scheduled to begin operation in 10/99 with full roll out beginning after January 2000. The first EBT cards will be produced after August benefit issuance pull-down and client training will begin soon after that.
<b>Pro-Rated/Wage Paying CSJs</b>	10/99	The automation of the pro-rated and wage paying CSJs will be put into CARES in October 1999.
<b>Major Fatals</b>	Ongoing	Research continues on fatals, which occur when there are a large number of unconfirmed rows on AGECS. We expect to have programming ready for testing fixes to these fatals soon after BadgerCare is implemented. The overall number of fatals and abends which are occurring has decreased to around 50 per week. The average daily transaction count is over a million transactions per day.
<b>Client Registration – Clearance</b>	No date set	We are researching the various causes of duplicate PINs and exploring solutions to reduce their occurrence. We are also researching the best method of resolving duplicate PINs when they do occur.
<b>Y2K</b>	Ongoing	Planning has begun for the Fall round of Y2K testing. Also, a table top review of the contingency plans for all programs was conducted during the last two weeks of June. A walkthrough of the contingency plans, involving several counties will be conducted in late summer. FNS, ACF and HCFA have reviewed our contingency plans and have been more than satisfied with them.
<b>Community Reinvestment</b>	On-Hold	A preliminary review of options was conducted by DES. Once federal reporting requirements are determined, Deloitte Consulting will be asked for an estimate to implement in CARES.
<b>Major initiatives: In Planning/Development</b>		
<b>SSA State On-Line Query (SOLQ)</b>	7/99	The necessary query screen and audit trail has been programmed in CARES. The Dane County is piloting SOLQ. A SSA review was held on July 13 <sup>th</sup> and 14 <sup>th</sup> . The query will be limited initially to state and county staff. SSA is not allowing private employee access at this time. Analysis to determine security requirements in CARES to limit access to state and county staff is continuing. Data sharing agreements will need to be signed between the state and each local agency before access will be granted.
<b>Simulation for Benefit Recovery</b>		Programs that had different versions in production and simulation have been identified and plans have been made to correct this situation. Procedures have been put in place to avoid this situation in the future. A survey is being prepared for completion by county staff to determine the cause and extent of benefit recovery problems. Site visits are being planned to observe the processes and problems encountered when doing benefit recovery.